

ECONOMIC AND SOCIAL COMMITTEE
OF THE EUROPEAN COMMUNITIES

BULLETIN

Brussels - No. 2/1983

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I

205th SESSION

The 205th Plenary Session of the Economic and Social Committee was held at the Committee building in Brussels on 23 and 24 February 1983. The Committee Chairman, Mr François Ceyrac, presided.

Mr Narjes, a member of the Commission, took part in the debate on the internal market.

EXTRACTS FROM Mr CEYRAC'S SPEECH

Opening the debate on the internal market, Mr Ceyrac said that the Committee welcomed the fact that the European Council had at last given priority to completing the establishment of a Community wide market.

Such a policy should be seen as one of the cornerstones of a more direct and far-reaching campaign against unemployment. Experience had clearly shown that Member States could not revive their economies on their own, and that only a Community policy stood a chance of success. Only a Community policy could — by tailoring economic structures to the requirements of the world and Community market — create permanent jobs, i.e. jobs supported by competitive structures.

It was obviously not enough to remove trade barriers in order to revive the Community economy and support employment. The Community had to both open up its internal market and take action to revitalize it. Genuine Community policies were therefore essential:

- a) to secure the growth of sunrise industries in the Community, and
- b) to embark on specific measures to create jobs, especially for the young.

EXTRACTS FROM SPEECH BY Mr NARJES, MEMBER OF THE COMMISSION

In his reply to the statements made by the Committee's Chairman and Rapporteur, Commissioner Narjes drew attention first of all to the fact that the Committee's Opinions were based on internal market

considerations. He pointed out that since the dramatic increases in oil prices and the ensuing recession there had been a marked increase in signs of protectionism. If that tendency were not resolutely opposed the customs union and consequently the internal market of the Community itself would be at risk. Moves towards protectionism were frequently the secondary effects of basically reasonable national legislation to introduce protective measures in fields such as the environment and industrial safety. In the absence of comprehensive harmonization in pursuance of Article 100, prior consultations should be held on that matter. The Commission wanted to help find a solution to the issues involved by proposing measures such as uniform standards for motor vehicles.

Since the summer of 1981 EC Heads of State and Government had attached a greater political importance to the internal market. As a result the European Council had for the first time issued instructions and set a deadline. It had also established a special council for the internal market. That action should provide the opportunity to solve the institutional problem of bureaucratic inertia.

Mr Narjes then referred to the steps that had been taken by the Commission and stressed that the aim here was to strengthen the confidence of trade and industry in the European institutions and overcome the wait-and-see attitude on investment that was spreading because of a lack of clarity regarding the European dimension.

A second set of measures was in preparation and could include measures relating to services, the harmonization of company law and the strengthening of the executive sphere of the Commission. Mr Narjes stressed the importance of all these measures for the competitiveness of the European economy on the world market.

European domestic trade was the hard core of world trade and without it free world trade based on division of labour was impossible. National economic strategies, which always presupposed a considerable contribution by exports, were also doomed to failure if the internal market did not function properly.

In conclusion, Mr Narjes referred to three dangers which could impede implementation of the Commission's proposals:

1. there might be a tendency to put too much into the proposals and this should be avoided;
2. account should be taken of bureaucratic inertia; this should be overcome by mobilizing public opinion, the socio-economic organizations, etc.,
3. excessive politicization of these issues was to be feared.



Applause for Mr Narjes. From left to right: Mr Margot, member of the ESC, Mr von Wogau, European Parliament, Mr Narjes, member of the Commission, Mr Ceyrac and Mr Louet, President and Secretary-General respectively of the ESC.

EXTRACTS OF SPEECH BY Mr von WOGAU, EUROPEAN PARLIAMENT

The European Parliament's Rapporteur for these matters, Mr von Wogau, pointed out that it was important for the man-in-the-street to perceive the changes and that the implementation of the customs union and the introduction of a Community passport were of great importance in connection with the forthcoming European Parliament elections. The internal market was also a very topical issue in the European Year of Small and Medium-Sized Enterprises, since it was necessary to avoid the creation of a "two-class society" in which some firms were capable of exploiting existing rules and regulations and others were not.

Mr von Wogau underlined the importance of the internal market for investment and innovation and declared that the costs arising at the moment at the Community's frontiers roughly corresponded to the expenditure on the Common Agricultural Policy.

In conclusion, he pointed out that the European Parliament was endeavouring to bring this problem to the notice of public opinion and national parliaments and governments.

ADOPTION OF OPINIONS

1. THE INTERNAL MARKET

Communication from the Commission to the Council on the strengthening of the internal market, the draft Council Resolution on the easing of the formalities relating to checks on citizens of Member States at the Community's internal frontiers, and the proposals for

- a Council Regulation simplifying customs formalities in trade within the Community
- a Council Regulation amending Council Regulation (EEC) No. 2102/77 introducing a Community export declaration form
- a Council Regulation amending for the fifth time Regulation (EEC) No. 222/77 on Community transit.

Gist of the Commission proposals

This inter-linked package of documents comprises the following:

- a communication from the Commission to the Council and the European Parliament (COM(82) 399 final), drawing attention to the need to strengthen the internal market;
- a Draft Resolution (COM(82) 400 final) on the easing of the formalities relating to checks on citizens of Member States at the Community's internal frontiers;
- a Draft Council Regulation simplifying customs formalities in trade between the Member States (COM(82) 401 final) which aims to replace the wide variety of documents required at present by a single document covering the entire operation (dispatch of goods, internal Community transit, release for home entry). This reform will (a) cut down red tape and (b) make it easier to prevent fraud in trade within the Community;
- two technical proposals for regulations (in the same document): the introduction of a single document will affect the rules governing the dispatch of goods from one Member State to another and the use of existing forms. For the purpose of adjusting existing Community forms accordingly, the Commission proposes:
- a Regulation amending Council Regulation (EEC) No. 2102/77 introducing a Community Export Declaration Form, and
- a Regulation amending for the fifth time Council Regulation (EEC) No. 222/77 on Community Transit

The relevant basic rules will remain unchanged.

Gist of the Opinion⁽¹⁾

In its Opinion on the easing of border formalities, which was adopted by a large majority, with 2 votes against and 2 abstentions, the Economic and Social Committee called for simplification of frontier controls. The Committee thus supports the Commission's proposals and endorses the conclusions of the European Council of 3/4 December 1982, which proposed that a time schedule for implementing these measures be submitted before the end of March 1983.

In the introduction, the Committee points out that, notwithstanding the provisions of the Rome Treaty, many barriers still remain in force twenty-five years after the founding of the EEC.

These barriers are a serious and costly obstacle to economic and social development and hinder optimal advantage being taken of the potential economies of scale and specialization in a true Community market.

The weakness of certain sectors of Community industry in both the Community and world markets, and the accompanying loss of job opportunities, is to a significant extent attributable to the incomplete nature of the common market and the absence of appropriate common policies. In the United Kingdom, for instance a statement to the House of Lords on the internal market estimated that intra-Community border formalities cost companies 12 billion ECUs — i.e. about as much as the Agricultural Fund.

It is the Committee's view that the cost and complexity of these formalities are a major hindrance to many firms, in particular smaller firms, preventing them from exploiting their full potential and taking advantage of the opportunities in the EEC for increased expansion outside their home country.

On the subject of checks on citizens at internal frontiers, the Committee attaches particular significance to the Council's request to the Commission to investigate other practical possibilities of further reducing the checks on citizens of the Member States at the Community's internal frontiers.

The Committee also welcomes the Draft Regulation which is designed to eliminate differences in national formalities in intra-Community trade and to harmonize procedures by introducing a standard document. It believes that the introduction of a standard document should help to reduce the costs of formalities and thus make

⁽¹⁾ Doc. CES 204/83

goods more competitive, an important consideration, particularly for small and medium-sized firms. It will, however, be essential to eliminate certain ambiguities (concerning statistical information for instance), which are liable to undermine the proposed moves to ease formalities. The Committee reserves the right to comment on specific aspects of the single document when the specimen is published.

This Opinion was based on material prepared by the Section for Industry, Commerce, Crafts and Services under the chairmanship of Mr de Wit (Netherlands - Employers). The Rapporteur was Mr Broicher (Germany - Employers).

2. FARM PRICES 1983/1984

“Commission proposals on the fixing of prices for certain agricultural products and on certain related measures (1983-1984)”

Gist of the Commission proposals

The Commission proposals for agricultural prices and related measures for the marketing year 1983/84 provide for an increase of 5.5% with rather less for certain products (in particular, cereals and sugar) and slightly more for some Mediterranean products (certain oilseeds, protein products, cotton and other textile plants and tobacco).

In addition, the Commission takes account of the fact that the guarantee thresholds introduced for milk, cereals and colza in the 1982 prices package have been exceeded. This will trigger a corresponding reduction in price support levels for the products concerned. As a result, the increase in intervention prices for these products in 1983 will be significantly less than what it would have been if production had not exceeded the agreed thresholds.

The Commission is also proposing a reduction in the positive MCAs applied in the Federal Republic (-2.8), the United Kingdom (-2.3) and the Netherlands (-2.3). This is in addition to the reduction or elimination of negative MCAs in France, Belgium and Luxembourg already agreed by the Council.

It is estimated that the additional net cost of these price proposals will be about 330 million ECU in 1983 and about 640 million ECU in 1984. The rate of increase in expenditure on supporting agricultural markets over a period of years will thus remain below the increase in the Community's own resources.

The impact of the proposed price increases on the consumer will be slight. The resulting increase in food prices is estimated to be less than 2%, corresponding to an increase of about 0.3% in the cost of living.

Gist of the Opinion⁽¹⁾

In an Opinion adopted by 72 votes to 30 with 11 abstentions, the Economic and Social Committee came out in favour of the 4.4% average increase in farm prices for 1983/84 proposed by the Commission. It called, however, for a more appropriate relationship between the prices of the various products though this should not involve a price increase for products in surplus.

The Committee noted that with the small price increases proposed it would not be possible to apply the reduction envisaged by the Commission in the positive monetary compensatory amounts unless the income of the farmers concerned were to be reduced, which was clearly out of the question.

The Committee was also in favour of complete abolition of the present negative monetary compensatory amounts. It also thought that it was necessary to adopt, together with the new common prices, specific measures aimed mainly at protecting the incomes of the weakest farmers and developing agriculture in the most disadvantaged regions.

The Committee decided to comment on the price proposals for the individual products at its next Plenary Session in March 1983.

After the vote, Mr de Cafarelli (France) declared on behalf of farmers that the farmers' representatives had voted against the Opinion and had lodged a minority statement categorically rejecting the Commission's proposals as unacceptable to farmers in the Community.

The members who voted against the Opinion urged that the 7% average increase resulting from the objective method be genuinely considered as a minimum increase to be applied to the common agricultural target and intervention prices and to the aids and premiums currently in force under the market regimes.

This Opinion was based on material prepared by the Section for Agriculture under the chairmanship of Mr Emo Capodilista (Italy - Various Interests). The Rapporteur was Mr Schnieders (Germany - Employers).

3. NEW GUIDELINES ACP/EEC COOPERATION

"Stocktaking of the Lomé Convention with a view to defining new guidelines for closer cooperation between the ACP countries and the EEC"

⁽¹⁾ Doc. CES 201/83

Purpose of the work

At the request of Mr Pisani, the Commissioner with responsibility for development, the Committee has instructed the Section for External Relations to make an appraisal of the Lomé Convention with a view to determining what guidelines should, according to the economic and social groups, be followed for closer cooperation between the ACP countries and the EEC.

To comply with Commissioner Pisani's wish to have the ESC Opinion on the Memorandum on Community Development Policy available by the end of April 1983, the Study Group preparing the Opinion on new ACP/EEC guidelines incorporated an examination of the Memorandum into its work.

However, Mr Pisani informed the Committee in the meantime that he wanted to know its ideas on guidelines for ACP/EEC cooperation by the end of January 1983, so that he could take account of them when preparing the draft brief for negotiating the renewal of the Lomé Convention, which he will be submitting to the Council between now and the end of February 1983.

For this reason, the Section for External Relations has decided to issue an initial Opinion now, while reserving the right to come back to the other matters in the Memorandum in an Additional Opinion.

Gist of the Opinion⁽¹⁾

The corner-stone of a renewed Lomé Convention must be an integrated policy combining food aid and agricultural and rural development. The poorest countries and most underprivileged populations must be the main targets for cooperation and, above all, aid.

This is one of the main points of the Economic and Social Committee's Opinion which it adopted unanimously.

The Committee considers that the cooperation system embodied in the Lomé Convention must be persevered with. However, given the deteriorating situation in the less developed countries (LDCs) and African, Caribbean and Pacific countries (ACPs), this development policy must be more in tune with the needs of the time. It should also be coordinated with the development strategies of the United Nations and other international bodies so as to avoid wastage and duplication.

⁽¹⁾ Doc. CES 200/83

The Opinion contains several proposals for the agricultural, industrial, commercial and social dimensions of the new Convention. Community action to develop the ACP countries must give priority to promoting a return to self-sufficiency in food and underpin any of the ACPs' own development policies designed to achieve economic independence. There should be an integrated policy for the development of energy, fishing and mineral processing, in order to boost each country's economic growth from within.

One of the principal measures to be taken in the field of industrial policy is to give special attention to providing support for servicing materials and equipment as well as for the training of nationals to ensure the continuity of the industrialization process and development in general.

In the commercial sector the Committee calls for:

- free access to the Community market for ACP products to stimulate EEC-ACP trade;
- the promotion of trade between ACP countries and other LDCs and of trade with non-EEC countries.

The Committee proposes that the Stabex system (stabilization of export earnings) be supplemented by international measures for providing producers with stable remunerative prices, which take into account the LDCs' need for foreign currency to finance their development.

Development policy must always serve a social purpose and the social dimension must therefore be highlighted in the next Convention. Development cooperation must take account of the need to preserve the social and cultural traditions of the ACP countries; but this must not lead to the obstruction of the changes necessary to social progress. Protection of the ecological balance and the quality of life must be a fundamental element of Lomé III.

The Committee approves the Community's aim of devoting 0.1% of its GNP to Community development aid (in addition to Member States' bilateral aid target of 0.7% GNP).

This Opinion was based on material prepared by the Section for External Relations under the chairmanship first of Mr de Precigout (France - Employers) and then of Mr Miller (United Kingdom - Employers). The Rapporteur was Mr van Rens (Netherlands - Workers).

4. 7th ANNUAL REPORT OF THE EUROPEAN REGIONAL DEVELOPMENT FUND (own-initiative Opinion)

Aim of the Opinion

The Commission has just approved its 7th Annual Report on the operation of the ERDF. The Committee has always given its views on the way in which this Fund is used (1709 Million EUA for the 1981 financial year). This year's Report covers the following main points:

Utilization of appropriations:

The rate of utilization of the commitment and payment appropriations available to the quota section was 99 and 98% respectively; for the quota-free section these percentages were 40 and 24 (late and incomplete submission of the programmes drawn up by the Member States).

National Quota Section:

Under this section (representing 95% of the Fund's resources) 88% of aid went to infrastructure investments (mainly in transport and water engineering) and 12% to industry and services (which should create or preserve about 60,000 jobs). Aid to Greece, Ireland and Italy was well in excess of the quotas for these countries, while the German, Dutch, Belgian, French and British quotas were not used in full (these countries will be compensated in 1982). The Report also mentions a new item: the Naples integrated operation (ERDF assistance was approx. 150 Million ECU in 1981). On the other hand, the Belfast integrated operation has still not reached the operational stage.

Quota-free section:

The Commission has approved six special programmes involving a commitment of 40.59 Million ECU, namely: two measures in the Mezzogiorno and South West France (to mitigate the unfavourable effects of enlargement); two measures in the border regions of Northern Ireland; a measure on energy sources in the Mezzogiorno and a measure for areas in Belgium affected by the crisis in the steel industry.

Gist of the Opinion⁽¹⁾

In its Opinion, adopted unanimously, the Committee recognizes that it is difficult for the EEC to operate a regional policy during periods of economic crisis, but underlines that such a policy is still badly needed.

⁽¹⁾ Doc. CES 198/83

It regrets that the proposals on the revision of the ERDF Regulation have been left in abeyance and that there have been considerable delays in implementing the first quota-free actions.

There should also be maximum coordination between national and Community policies and between Community policies themselves. Regrettably a relatively high proportion of funds have gone on infrastructure projects (88% of total funds) but it is hoped that such projects will at least improve the structure of the economy and create new jobs.

The Committee also considers that integrated operations and financial assistance for studies are very useful and should be developed even further.

Last but not least, the problems of monitoring have still not been fully solved and could be improved by calling in independent experts.

This Opinion was based on material prepared by the Section for Regional Development, under the chairmanship of Mr Milne (United Kingdom - Workers). The Rapporteur was Mr Broicher (Germany - Employers).

5. FACILITATION OF FORMALITIES AND INSPECTIONS IN GOODS TRANSPORT

“Proposal for a Council Directive on the facilitation of formalities and inspections in respect of the carriage of goods between Member States”

Gist of the Commission proposal

In November 1977 the EC Commission asked the Advisory Committee on Transport to look at the problem of how to dismantle frontier obstacles and give its opinion. The results of this work are to be found in a report drawn up by this committee in 1981. The report sought to show the present situation in cross-border goods transport by road, rail and inland waterway and discuss what measures were necessary to facilitate such transport.

On 12 June 1978 the Council approved a priority programme for air transport, the facilitation of which was one of the nine priorities of this programme.

The European Parliament has several times looked at the barriers which still exist in the goods transport sector, particularly those hindering cross-border traffic, and asked the Commission to submit proposals for removing such barriers.

On 26 March 1981 the Council drew up a list of priorities to be tackled in the whole transport sector before the end of 1983. This list was part of the Council's work on the strengthening and further development of the domestic market. One of the ten priorities was the facilitation of border crossings. The Council also asked the Commission to submit first a report and then proposals on how checks and formalities relating to goods transport between Member States could be relaxed.

The Commission submitted unchanged the report of the advisory Committee on Transport referred to above, as it felt that this fitted in with what the Council wanted.

In addition, the Commission submitted to the Council its present proposal of 16 April 1982 for a Council Directive on the facilitation of formalities and inspections in respect of the carriage of goods between Member States.

The aim of this proposal is to relax the formalities and inspections concerning goods transport between Member States without harming the general or specific Community rules currently in force. This would be an important step towards bringing about a true common internal market.

The proposal is based on Articles 43, 84, 75 and 100 of the EEC Treaty. Under the latter two articles it is compulsory to ask the Economic and Social Committee for its Opinion.

Gist of the Opinion⁽¹⁾

With one abstention and no dissenting votes the Committee adopted its Opinion endorsing the substance of the Commission proposal and its aim of making a start on the facilitation of border crossings. However, it thinks that the Community's initiative must not stop at this: The aim must be to abolish frontier barriers in the medium term, and for this the reasons for inspections must disappear.

It deplores the faint-hearted way in which the Commission proposal is drafted. Even if it is only to be a Directive which is not in itself binding and must be incorporated into national law by the Member States, the proposal should have been couched in much clearer language.

It also noted that, even after 25 years of the Common Market, cross-border goods transport in the EEC is still subject to severe restrictions. It has been estimated that these add some 5 to 7% to the cost of goods, which adds up to ECU 12,000 — 17,000 million for intra-Community trade alone.

⁽¹⁾ Doc. CES 206/83

To strengthen the internal market, therefore, it is vital for the Community authorities to adopt priority measures in the interests of the economy and of workers.

This Opinion was based on material prepared by the Section for Transport and Communications under the chairmanship of Mrs Weber (Germany - Workers). The Rapporteur was Mr Morselli (Italy - Various Interests).

6. 14th VAT DIRECTIVE

“Proposal for a fourteenth Council Directive on the harmonization of the laws of the Member States relating to turnover taxes — deferred payment of the tax payable on importation by taxable persons”

Gist of the Commission proposal

The Directive provides for deferred payment of VAT on goods imported by taxable persons from other Member States. The principle of taxing imports from other Member States is not in question. Arrangements similar to those proposed are already in force in the Benelux, and two other Member States. Deferment has the advantage of simplifying formalities for all concerned: importers, VAT and customs authorities.

- Taxable persons who wish to benefit from the proposed arrangements are responsible for calculating the tax due, declaring it, paying it and where appropriate deducting it from the compulsory regular detailed returns of VAT outstanding or due. The entire procedure is supervised by the VAT authorities.
- Import formalities are to be confined to verifying documents and spot-checks on goods.

The proposed arrangements tie in with general Commission policy of strengthening the internal Community market. They are seen as minimum procedures which may be further simplified by individual Member States. They may also be applied to imports from third countries.

A clear distinction must be drawn between the proposed scheme and customs-related procedure, including those governing Community trade, as applied by five Member States. The latter arrangements generally allow payment to be deferred by 30 days. Customs-related procedures are extremely cumbersome for small businesses, particularly the “entry into accounts” arrangement under which customs duties are calculated separately for each transaction.

Implementation of the Draft Directive would involve only minor adjustments to tax legislation. The major problems involved are the breakdown of responsibilities between the VAT and customs authorities respectively and the budgetary problem created by the fact that deferment of payment will slightly reduce tax revenue in the financial year in which the measure comes into force.

The Directive will undoubtedly strengthen the internal market.

Gist of the Opinion⁽¹⁾

In an Opinion, adopted unanimously, the Committee endorses the proposed deferred payment but recognizes that it is merely a stop-gap measure pending the further necessary harmonization of the VAT system.

In particular, the Committee stresses the following points:

- the procedure must permit correct application of the tax regulations in order to prevent goods being admitted for home use without payment of tax;
- the proposed authorizations should not run for an unlimited period. The Member States should be empowered to restrict authorizations to, say, twelve-month renewable periods, until such time as data banks can be used to check authorizations;
- taxable persons should not invariably have to provide the authorities with a copy of authorization. There are other ways of establishing entitlement. The customs could, for example, be provided with a list of total authorizations or they could retrieve the appropriate information for a data bank;
- national legislation on deferred payment must be harmonized without delay to prevent competition distortions.

This Opinion was based on material prepared by the Section for Economic and Financial Questions under the chairmanship of Mr Marvier (France - Various Interests). The Rapporteur was Mr Broicher (Germany - Employers).

7. STANDARDIZATION OF REMOVAL AUTHORIZATIONS

“Proposal for a Council Directive amending Directive 65/269/EEC concerning the standardization of certain rules relating to authorizations for the carriage of goods by road between Member States”

⁽¹⁾ Doc. CES 205/83

Gist of the Commission proposal

The proposal seeks to facilitate removals between Member States. This area is currently governed by the first Council Directive of 23 July 1962 on the establishment of common rules for certain types of carriage of goods by road between Member States. Annex II of that Directive lists types of carriage exempt from quota systems but subject to authorizations.

Authorizations must comply with a specimen model set out in Directive 65/269/EEC of 13 May 1965, as last amended by the Act of Accession in 1979.

The Commission is now proposing a new multilateral authorization model designed to further facilitate intra-Community removals. This involves amending Directive 65/269/EEC. The new model will bring to three the number of models covered by the Directive.

The last time the Committee discussed this area was in 1980 when the Commission proposed that removals be covered by ECMT authorizations. The Commission proposal was rejected by the Council and it has since been withdrawn by the Commission.

Gist of the Opinion⁽¹⁾

In an Opinion, which was adopted unanimously, the Committee voices its approval of the Commission's proposal. It does, however, suggest that the proposed simplification of international removal procedures be achieved by means of a separate Directive rather than by amending Directive No. 65/269/EEC of 13 May 1965.

If amendments are made to the 1965 Directive, the Committee fears that the justified endeavours to simplify removals could have an effect on other transport categories covered by the so-called First Directive.

This Opinion was based on material prepared by the Section for Transport and Communications under the chairmanship of Mrs Weber (Germany - Workers). The Rapporteur was Mr Binnenbruck (Germany - Employers).

8. NON-ENERGY MINERAL RAW MATERIALS

“Proposal for a Council Regulation (EEC) on loans for projects covered by exploration programmes for non-energy mineral raw materials within the territories of the Member States”

⁽¹⁾ Doc. CES 195/83

Gist of the Commission document

In order to reduce the Community's dependence on external sources of supply, the Commission proposes the introduction of a system of incentives (totalling 10 million ECU over a period of 4 years) in respect of the exploration programmes for non-energy minerals carried out by the mining industry in the territory of the Member States. The financial aid is to take the form of subsidies which are to be reimbursed unless the project concerned is unsuccessful. The subsidies will amount to between 30 and 50% of the total cost, depending on the type of project. Preference will be given to projects involving financial risks which are too great to be met by the promoters of the projects alone.

The proposed Community system should in no way take the place of existing or planned national systems — it should supplement these schemes in cases where the funds at the disposal of the public authorities are inadequate to meet the common objective.

Gist of the Opinion⁽¹⁾

In an Opinion, adopted by a large majority with one vote against and two abstentions, the Committee welcomes the Commission proposal which is designed to reduce the European Community's dependence upon third countries. This is quite distinct from the aim of promoting "research and development", which had hitherto been the sole objective pursued by the EEC. The Committee views this as a useful first step and urges the Commission to submit proposals for a comprehensive supplies policy which would serve as a framework for both the internal strategy and external relations of the Community.

The Committee feels that the proposed appropriation is inadequate to achieve the desired aims. Moreover, since funds from traditional sources are more readily available for feasibility studies, it proposes that Commission financial aid should be confined to programmes covering pre-feasibility work, especially as it is here that the element of risk is greatest.

Furthermore, as some Member States have national schemes for the promotion of prospecting, the projects will have to be tailored in such a way that they can be implemented in parallel with these national systems, or in addition to them.

As the Commission proposal is designed to safeguard supplies, the Committee suggests that, in the event of the results not being used within the four-year period, they shall become the property of the

⁽¹⁾ Doc. CES 196/83

Commission, which in liaison with the Member States will attempt to make use of them.

This Opinion was based on material prepared by the Section for Industry, Commerce, Crafts and Services under the chairmanship of Mr de Wit (Netherlands - Employers). The Rapporteur was Mr Arena (Italy - Employers).

9. SEWAGE SLUDGE

“Proposal for a Directive on the use of sewage sludge in agriculture”

Gist of the proposal

This proposal springs from the two Community Environmental Action Programmes (1973 and 1977). It seeks to promote the use in agriculture of sewage sludge obtained from urban, industrial and commercial waste water.

The Proposal lays down mandatory limit values for concentrations of particularly toxic substances in sludge, and “recommended” values for permissible concentrations of less harmful elements.

An ad hoc Committee is to be set up to adjust these limits to technical progress.

Finally, in the interests of public health, the Draft Directive prohibits the use of sludge on certain crops, woodland areas, parks and playgrounds.

Gist of the Opinion⁽¹⁾

In its Opinion which was adopted unanimously, the Committee recognizes the value of using sewage sludge in agriculture, particularly from the point of view of waste disposal and consequently environmental conservation.

It should be clearly stated, however, that such use must not jeopardize the production of uncontaminated food and fodder, maintenance of soil fertility and the protection of ground and surface water.

In addition, whilst not holding users responsible, as it is up to treatment plants to ensure that sludge complies with the Directive, the Committee feels that users should receive better guidance on how to avoid contamination of crops.

⁽¹⁾ Doc. CES 207/83

Finally, as the proposal does not provide for uniform analysis and measuring methods, the Committee asks the Commission to pay special attention to drawing up such methods and to draft provisions on this matter at the earliest opportunity.

This Opinion was based on material prepared by the Section for Protection of the Environment, Public Health and Consumer Affairs, under the chairmanship of Mrs Heuser (Germany - Various Interests). The Rapporteur was Mr Kölbl (Germany - Various Interests).

10. SCIENTIFIC AND TECHNICAL POTENTIAL

"Proposal for a Council Decision adopting an experimental Community action to stimulate the efficacy of the European Economic Community's scientific and technical potential"

Gist of the proposal

Whilst the Community possesses a potential in science and technology, which is both considerable and of high quality, the efficacy of R & D systems is rather limited.

The Commission has repeatedly in the past stressed the need for and the value of a Community stimulation activity.

In particular, the weakness of mobility factors, a distinct lack of jobs for young graduates and, sometimes, the failure of structures to adapt to changes in science and technology, are some of the handicaps which such a stimulation activity should seek to overcome. The Council has recognized that such an activity would be both useful and opportune, and invited the Commission to place before it the fields of activity and the operational arrangements to be adopted for an experimental phase, which would make it possible to try out the specific ways and means to be employed in such an activity.

In the light of a Communication (COM(82)493 final) of August 1982 which was presented by the Commission, the Council invited the Commission to submit to it this proposal for a decision on an experimental stimulation action over two years.

The amount required to carry out the experimental activities is estimated at 7 million ECU, including expenditure on a staff of three.

Gist of the Opinion⁽¹⁾

In its unanimously adopted Opinion, the Committee approves the Draft Council Decision and considers that the proposed action must be

(¹) Doc. CES 197/83

regarded as being complementary to, but free from the constraints of, an action programme proper.

It also has the following comments to make:

- it appreciates the flexibility of the “stimulatory action” envisaged;
- the Outline Plan should be able to be changed in the light of the outcome of the experimental phase so that, if the latter is as successful as expected, the proven methods can be used in further larger-scale schemes.

At a time when the “social” element is of overwhelming importance, the Committee finds it difficult to understand why a topic relating to social change has not been selected for this exploratory phase.

Finally, the Committee considers that there must be a genuine “follow-up” to the experimental phase and that it should be consulted when the assessment of methods and findings becomes possible. Only after having been informed progressively but fully, will the Committee be able to assess the situation, and this only when the final evaluation of the experimental phase is made and the move to the operational phase is underway.

This Opinion was based on material prepared by the Section for Energy and Nuclear Questions under the chairmanship of Mr Romoli (Italy - Employers). The Rapporteur was Mr Bordes-Pages (France - Workers).

11. FISH FILLETS

“Proposal for a Council Regulation (EEC) determining the import duties applicable to fish fillets obtained on board Community vessels from fish originating in third countries”

Gist of the Commission proposal

Community vessels fitted out for the filleting of fish are sometimes obliged, owing to the limitations imposed on them concerning the quantities of fish they are authorized to catch, to purchase on the fishing grounds, for their processing requirements, fish originating in third countries.

In accordance with Article 3(a) of Directive 79/623/EEC on the harmonization of provisions laid down by law, regulation or administrative action relating to customs debt, applied in conjunction with Article 11(1) of Council Directive 79/695/EEC of 24 July 1979 on the harmonization of procedures for the release of goods for free circulation where goods are released for free circulation in the Community, the customs debt is incurred at the moment when the relevant entry is

accepted. Consequently, the amount of import duties payable on fillets obtained from fish originating in third countries is the amount payable on those fillets on the date of acceptance of the entry of those goods for free circulation.

Pursuant to those provisions, Common Customs tariff duties are to be applied to the added value arising from the processing by the crew of the Community vessel of fish originating in third countries.

In view of the particular circumstances which lead Community vessels to use fish originating in non-member countries in order to obtain fillets, such charging is not justified from an economic point of view. The necessary special provisions should therefore be adopted to ensure that the import duties levied on the products in question, obtained from fish put on board Community vessels on the high seas, on the fishing grounds themselves, are those which would be payable if the fish originating in third countries were entered for free circulation in the unprocessed state.

Provision should also be made for the necessary supervisory and cooperation measures to ensure the correct implementation of this Regulation, under the procedure laid down in Article 57 of Council Regulation (EEC) No. 222/77 of 13 December 1976 on Community transit.

Gist of the Opinion⁽¹⁾

By a unanimous vote the Committee approves the Commission proposal.

This Opinion was based on material prepared by the Section for Agriculture under the chairmanship of Mr Emo Capodilista (Italy - Various Interests). The Rapporteur was Mr Milne (United Kingdom - Workers).

12. SOCIAL SECURITY MIGRANT WORKERS

“Proposal for a Council Regulation (EEC) amending Regulation (EEC) No. 1408/71 on the application of social security schemes to employed persons, to self-employed persons and to their families moving within the Community and regulation (EEC) No. 574/72 laying down the procedure for implementing regulation (EEC) No. 1408/71”

Gist of the Commission document

Article 61(5) of Regulation (EEC) No. 1408/71 stipulates that for the purpose of calculating incapacity as a result of an industrial accident or

⁽¹⁾ Doc. CES 199/83

disease, previous industrial accidents or diseases which occurred when the victim was subject to the legislation of another Member State shall be taken into account.

The proposed amendment would mean that where the legislation of a Member State provides for the taking into account of industrial accidents or diseases which have occurred subsequently, the competent institution of that Member State should also take into account subsequent industrial accidents or occupational diseases which occurred when the victim was subject to the legislation of another Member State. Thus the person concerned should not be worse off than he would have been if the accident had occurred within the framework of a single social security system. The social security institutions of the Member States should therefore not treat such cases differently in any respect from industrial accidents occurring within their own borders.

The amendment also specifies that both previous and subsequent accidents are to be taken into account for the purpose of:

- i) assessing the degree of incapacity
- ii) establishing claims
- iii) determining benefit levels.

The amendment contains a clause to prevent two allowances being paid concurrently in the case of a series of industrial accidents. It also involves an amendment to Regulation No. 574/72, which lays down the arrangements for implementing Regulation No. 1408/71. Most of the other provisions involve technical changes to some Annexes to Regulation No. 1408/71 and implementing Regulation No. 574/72.

Gist of the Opinion⁽¹⁾

The Committee unanimously approves the proposed amendment.

This Opinion was based on material prepared by the Section for Social Questions, under the chairmanship of Mr Houthuys (Belgium - Workers). The Rapporteur was Mr Bornard (France - Workers).

⁽¹⁾ Doc. CES 208/83

II

NEW CONSULTATIONS

Since the last Plenary Session, the Council has requested the Committee to deliver its Opinion on the following points:

“Proposal for a Council Regulation (EEC) fixing the Amounts of Aid Granted for Seeds for the 1984-85 and 1985-86 Marketing Years” (COM(82) 895 final)

“Proposal for a Council Regulation (EEC) on the Security to be given to Ensure Payment of a Customs Debt” (COM(82) 861 final)

“Proposal for a Twelfth Council Directive on the Harmonization of the Laws of the Member States relating to Turnover Taxes — Common System of Value Added Tax: Expenditure not eligible for Deduction of Value Added Tax” (COM(82) 870 final)

“Proposal for a European Scientific and Technical Strategy Framework Programme 1984-1987” (COM(82) 865 final)

“Communication from the Commission to the Council on Progress towards a Common Transport Policy — Inland Transport” (COM(83) 58 final)

III

PROVISIONAL FUTURE WORK PROGRAMME

MARCH 1983 PLENARY SESSION

Opinions

- 13th VAT Directive
- European Social Fund
- Vocational Training Policy for the 1980s
- Food Labelling
- 2nd Series of Non-Quota Measures
- Spirituous Beverages
- Origin of Textile Products
- Vineyard Restructuring
- Seeds
- Intervention price cheese

Additional Opinion

- Exclusive Distribution and Purchasing Agreements
- Agricultural prices

APRIL 1983 PLENARY SESSION

Opinions

- Noise at Work
- Temporary Work
- Health and Safety at Work — 2nd Action Programme
- Community Environmental Measures

SUBSEQUENT PLENARY SESSIONS

- Basic Standards for Ionizing Radiation

Additional Opinion

- Pre- and After-Sales Distribution and Service Agreements for Motor Vehicles
- Limit Values for Mercury Discharges
- Cross-Border Transfers of Dangerous Waste
- Conditions under which Non-Resident Carriers may Operate within a Member State
- Transport Infrastructures
- International Traffic Management
- 12th Turnover Taxes Directive
- Social Developments in 1982
- Tourism Policy
- Determination of Persons Liable for Payment of a Customs Debt
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- Customs Debt Payment Guarantees
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- Common Transport Policy
- Chapter IV (Supplies) of the EURATOM Treaty
- FAST
- Outline Programme for Scientific and Technical Strategy
- Agricultural Research
- Standardization and Simplification of Trade Statistics
- Origin of textile products

Own Initiative

- Youth employment
- Economic Situation at Mid-1983
- Migrant Workers
- Environment and Jobs
- Fats and Oils
- EEC-USA Relations
- Education and Training

Information Reports

- Problems of Frontier Regions in Ireland
- National regional Development Aids
- Community Fisheries Policy

CELEBRATION OF COMMITTEE'S 25th ANNIVERSARY

The celebration of the 25th anniversary of the Economic and Social Committee's constitutive session will be held on 31 May 1983 at the Palais du Congrès in Brussels. The highlight will be a formal session attended by the Presidents of the Community Institutions and the Investment Bank, members of the Council, members of the European Parliament Bureau, members of the Commission, members of the Court of Justice and the Court of Auditors, the Permanent Representatives of the Member States and representatives of the Belgian Government. The guests will also include representatives of European trade associations and trade union organizations.

PUBLICATIONS OBTAINABLE FROM THE ECONOMIC AND SOCIAL COMMITTEE

Periodical

- Bulletin (monthly publication)

General Documentation

- The Economic and Social Committee (leaflet) (January 1980)
- The Economic and Social Committee (December 1982) (A descriptive brochure) 16 p.
- Annual Report (1981) 96 p. (Ex-33-81)

Opinions and Studies

- Guidelines for Mediterranean Agriculture (4 Opinions) September 1982, 64 p. (ESC 82-010)
- The Economic and Social Situation of the Community (2 Opinions) (July 1982) 57 p. (ESC 82-008)
- The Promotion of Small and Medium-sized Enterprises (Opinion) (June 1982) 70 p. (ESC 82-007)
- Aims and Priorities of a Common Research and Development Policy (Study) (January 1982) 59 p. (ESC 82-001)
- Agricultural Aspects of Spain's Entry into the E.C. (Opinion) (February 1982) 107 p. (ESC 81-017)
- The EEC's External Relations — Stocktaking and Consistency of Action (Study) (January 1982) 139 p.
- Genetic Engineering (Colloquy) (October 1981) 120 p. (ESC 81-014)
- Prospects for the '80s (Opinion) (Dec. 1981) (ESC 81-018)
- Economic Pointers for 1982 (Opinion) (August 1981) 32 p. (ESC 81-010)
- Problems of the Handicapped (Opinion) (September 1981) ± 46 p. (ESC 81-013)
- Present situation in the Community's Building Sector (Opinion) (September 1981) ± 24 p. (ESC 81-011)
- Community Competition Policy (Opinion) (ESC-81-008)
- Prevention of Marine Pollution (2 Opinions) (ESC-81-004)
- Development Policy and Working Conditions (September 1980) (Opinion) 61 p. (ESC 80-012)
- The Organisation and Management of Community R & D (February 1980) (Study) 168 p. (ESC 80-001)
- Agricultural Structures Policy (November 1979) (Opinion) 90 p. (ESC 79-003)
- Enlargement of the European Community Greece-Spain-Portugal (September 1979) (Study) 75 p. (ESC 79-002)
- The Community's Relations with Spain (June 1979) (Study) 112 p. (ESC 79-001)
- Community Shipping Policy Flaws of Convenience (April 1979) (Opinion) 170 p.
- Youth Unemployment — Education and Training (November 1978) (5 Opinions) 97 p.
- The Stage reached in aligning labour legislation in the European Community (June 1978) (Documentation) 60 p.
- Employment in Agriculture (June 1978) (Study) 135 p.
- Monetary Disorder (June 1978) (Opinion) 98 p.
- Small and Medium-sized Enterprises in the Community Context (April 1978) (Opinion) 29 p.
- Industrial Change and Employment (November 1977) (Opinion) 98 p.
- EEC's Transport Problems with East European Countries (December 1977) (Opinion) 164 p.
- Community Nuclear Safety Code (July 1977) (Study) 50 p.
- Research and Development (November 1976) (Study) 35 p.
- Systems of education and vocational training (August 1976) (Study) 114 p.
- Regional Policy (March 1976) (Opinion) 11 p.
- European Union (July 1975) (Opinion) 33 p.
- The Situation of Small and Medium-sized Undertakings in the European Community (March 1975) (Study) 69 p.



Obtainable from GOWER Publishing Co. Ltd., 1 Westmead, Farnborough, Hants GU 147RU:

- Community Advisory Committee for the Representation of Socio-Economic Interests (£8.50)
- European Interest Groups and their relationship to the Economic and Social Committee (£25)

Obtainable from EDITIONS DELTA, 92-94 Square Plasky, 1040 Brussels:

- Action by the European Community through its financial instruments (Brussels 1979) (425 BF)
- The Economic and Social Interest Groups of Greece (350 BF)
- The Right of Initiative of the LSC (400 BF)

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Catalogue Number ESC-83-004-EN